

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 1997-239-C

In re: )  
 )  
Intrastate Universal Service Fund )  
\_\_\_\_\_ )

**SOUTH CAROLINA TELEPHONE COALITION'S RESPONSE TO (1) PETITION OF  
THE OFFICE OF REGULATORY STAFF FOR AN ORDER CLARIFYING USF  
GUIDELINES AND REQUEST FOR EXPEDITED RELIEF; AND (2) PETITION OF  
SOUTH CAROLINA CABLE TELEVISION ASSOCIATION IN SUPPORT OF ORS'  
PETITION AND TO RAISE ADDITIONAL ISSUES**

The South Carolina Telephone Coalition ("SCTC") respectfully submits this response to (1) the Petition of the Office of Regulatory Staff for an Order Clarifying USF Guidelines and Request for Expedited Relief ("ORS Petition") dated March 16, 2006; and (2) the Petition of South Carolina Cable Television Association in Support of ORS' Petition and to Raise Additional Issues ("SCCTA Petition"). The SCTC respectfully submits the following:

**ORS Petition**

1. International Revenues. The SCTC agrees that international revenues should not be included in the base of reported retail end user revenues upon which the administrator bases the annual fund assessment.

2. Wireless and Broadband Revenues. The SCTC agrees that, at the current time, wireless and broadband revenues should not be included in the base of reported retail end user revenues upon which the administrator bases the annual fund assessment.

3. Directory Listing, Federal USF Surcharges, and Special Access Charges to End Users. The SCTC agrees that revenues from directory listings should not be included in the base of reported retail end user revenues upon which the administrator bases the annual fund assessment. The SCTC agrees that revenues from special access services provided to end users should be included in the base of reported retail end user revenues upon which the administrator bases the annual fund assessment. The SCTC questions the inclusion of revenues received from the Federal USF Charge in the base of reported retail end user revenues upon which the administrator bases the annual fund assessment. However, the SCTC agrees that it is in the public interest for all telecommunications carriers to be assessed on a consistent basis, and therefore, agrees that the Commission should make a ruling on this issue.

4. State USF Surcharge on Lifeline Customers. The SCTC agrees that it is in the public interest to clarify this issue and to ensure consistent application of the State USF Surcharge by all telecommunications carriers who choose to assess such a surcharge. The SCTC believes ORS's proposal that the surcharge be collected on services provided to a Lifeline customer that exceed the lifeline credit is a reasonable proposal that would ensure uniformity and nondiscriminatory treatment.

5. Authority of ORS to Write Off Bad Debts. The SCTC agrees that it would aid in the efficient administration of the State USF, and is therefore in the public interest, for the Commission to grant ORS the authority to write off bad debts and remove the corresponding amount from accounts receivable, which will allow shortfall amounts to be recovered in the following fund year.

### **SCCTA Petition**

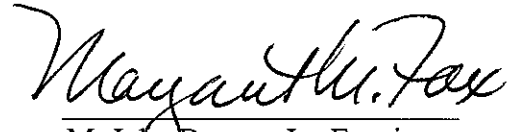
6. The only new issue raised by the SCCTA in its Petition is whether wireless carriers should be required to contribute to the USF. Contrary to its assertion that the issues raised in its Petition are “different” from the issues it has raised in its various appeals of State USF proceedings, it appears that the SCCTA’s remaining issues are similar or related to issues raised in prior appeals. Moreover, these issues merely represent repeated collateral attacks on well-established guidelines and procedures for administration and implementation of the State USF that either have been or could have been raised previously. These guidelines and procedures have been affirmed by the circuit court and are themselves subject of a pending appeal in the South Carolina Supreme Court. As such, the Commission should consider the wireless revenues issue in a separate proceeding if it is so inclined, but should deny relief or dismiss SCCTA’s Petition as to the remaining issues.

7. With respect to the wireless revenues issue, the SCTC agrees that the Commission has the authority, pursuant to S.C. Code Ann. §§ 58-9-280(E)(2), 58-9-10(15), and 58-9-280(E)(3), to consider whether it is appropriate for wireless carriers to contribute to the State USF and whether it is appropriate to include wireless revenues in the reported retail end user revenues upon which the administrator bases the annual fund assessment. The SCTC notes, however, that it is not necessary to do so on an expedited basis, and that any such consideration should not delay a resolution of ORS’s Petition or timely administration of the State USF.

WHEREFORE, South Carolina Telephone Coalition respectfully requests that the Commission consider the issues raised in the ORS Petition and grant the relief requested therein as specified above. Further, it requests that the Commission, if so inclined, schedule a separate

proceeding to consider the wireless revenues issue raised by the SCCTA, but dismiss the SCCTA's Petition or deny relief with respect to the remaining issues, and grant such other and further relief as is just and proper.

Respectfully Submitted,

A handwritten signature in cursive script, reading "Margaret M. Fox".

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Attorneys for the South Carolina  
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May 11, 2006  
Columbia, South Carolina

IN RE:     Intrastate Universal Fund

I, Rebecca W. Martin, Secretary for McNair Law Firm, P. A., do hereby certify that I have this date served one (1) copy of the Response of the South Carolina Telephone Coalition to Petitions by the Office of Regulatory Staff and by the South Carolina Cable Television Association regarding the above-referenced matter on the following parties of record by causing said copy to be deposited with the United States Mail, first class postage prepaid, affixed thereto and addressed as follows:

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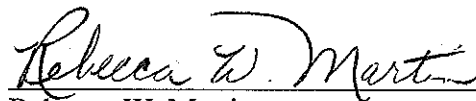
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